

REFERENCE TITLE: racing; commission; department; continuation

State of Arizona  
Senate  
Forty-eighth Legislature  
Second Regular Session  
2008

# **SB 1394**

Introduced by  
Senator Gray C

## AN ACT

AMENDING SECTION 5-101.01, ARIZONA REVISED STATUTES; REPEALING SECTION 41-3008.13, ARIZONA REVISED STATUTES; AMENDING TITLE 41, CHAPTER 27, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING SECTION 41-3016.26; RELATING TO THE ARIZONA DEPARTMENT OF RACING AND THE ARIZONA RACING COMMISSION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 5-101.01, Arizona Revised Statutes, is amended to  
3 read:

4       5-101.01. Arizona department of racing: director; qualifications; term; deputy director; conflict of interest

5       A. There is established an Arizona department of racing.

6       B. The governor shall appoint a director of the department pursuant to  
7 section 38-211 and in accordance with the provisions of subsection C of this  
8 section. The director serves at the pleasure of the governor for a term of  
9 five years. To be eligible for appointment as director, a person must have a  
10 minimum of five years of experience in business and administration and shall  
11 not have a financial interest in a racetrack or in the racing industry in  
12 this state during the term of his appointment. The governor may appoint an  
13 acting director if there is a vacancy in the office.

14       C. Within sixty days after a vacancy occurs in the position of  
15 director, the commission shall forward a list of three candidates for  
16 appointment as director to the governor. The governor may request one  
17 additional list to be submitted by the commission. In the event the governor  
18 does not appoint the director within thirty days following receipt of the  
19 list submitted by the commission, the commission shall select a director for  
20 the department. In the event that the commission fails to submit the lists  
21 requested by the governor, the governor may appoint any qualified person to  
22 the position of director.

23       D. The commission may establish the position of deputy director of the  
24 department.

25       E. The positions of director and deputy director, if applicable, are  
26 exempt from title 41, chapter 4, articles 5 and 6. Persons holding the  
27 positions of director and deputy director, if applicable, are eligible to  
28 receive compensation pursuant to section 38-611.

29       F. ~~The provisions of~~ Title 38, chapter 3, article 8, relating to  
30 conflict of interest, ~~apply~~ APPLIES to the director and all other employees  
31 of the department.

32       G. Neither the director, any employee of the department nor any member  
33 of the immediate family of the director or other employee of the department  
34 may:

35           1. Have any pecuniary interest in a racetrack in this state or in any  
36 kennel, stable, compound or farm licensed under this chapter.

37           2. Wager money at a racetrack enclosure or additional wagering  
38 facility in this state or wager money on the results of any race held at a  
39 racetrack enclosure in this state.

40           3. Hold more than a five per cent interest in any entity doing  
41 business with a racetrack in this state.

1       4. Have any interest, whether direct or indirect, in a license issued  
2 pursuant to this chapter or in a licensee, facility or entity that is  
3 involved in any way with pari-mutuel wagering. For the purposes of this  
4 paragraph, "interest" includes employment.

5       H. Failure to comply with subsection G of this section is grounds for  
6 dismissal.

7       I. ALL FINANCIAL TRANSACTIONS THAT DIRECTLY OR INDIRECTLY RELATE TO  
8 THE REGULATION OF THE RACING INDUSTRY, INCLUDING ANY AUDIT CONDUCTED PURSUANT  
9 TO THIS CHAPTER, SHALL BE CONDUCTED THROUGH THE DEPARTMENT AND A DETAILED  
10 RECORD OF EACH TRANSACTION SHALL BE MAINTAINED BY THE DEPARTMENT. THE  
11 DEPARTMENT OR AN EMPLOYEE OF THE DEPARTMENT SHALL NOT DIRECT A PERSON OR  
12 ENTITY TO ISSUE A NEGOTIABLE INSTRUMENT TO ANY ENTITY OTHER THAN THE  
13 DEPARTMENT OR PAY MONIES TO ANY ENTITY OTHER THAN THE DEPARTMENT.

14       J. For the purposes of subsection G of this section, "immediate  
15 family" means a spouse or children who regularly reside in the household of  
16 the director or other employee of the department.

17       Sec. 2. Repeal

18       Section 41-3008.13, Arizona Revised Statutes, is repealed.

19       Sec. 3. Title 41, chapter 27, article 2, Arizona Revised Statutes, is  
20 amended by adding section 41-3016.26, to read:

21       41-3016.26. Arizona racing commission and Arizona department of  
22 racing; termination July 1, 2016

23       A. THE ARIZONA RACING COMMISSION AND THE ARIZONA DEPARTMENT OF RACING  
24 TERMINATE ON JULY 1, 2016.

25       B. TITLE 5, CHAPTER 1 IS REPEALED ON JANUARY 1, 2017.

26       Sec. 4. Purpose

27       Pursuant to section 41-2955, subsection B, Arizona Revised Statutes,  
28 the purpose of the Arizona racing commission and the department of racing is  
29 to regulate the racing industry in this state for the protection of the  
30 public peace, safety and welfare.

31       Sec. 5. Retroactivity

32       Sections 2 and 3 of this act are effective retroactively to July  
33 1, 2008.